*Special Issue: McCone's Nomination to CIA*

**Mrs. Smith of Maine Joins Sen. McCarthy (Minn.) in Expressing Distrust of CIA, See Pages 2 and 3**

# I. F. Stone's Weekly

VOL. X, NO. 4 JANUARY 29, 1962 WASHINGTON, D. C. 15 CENTS

## (Triply) Biased Intelligence Guaranteed

A rival Washington newsletter, *Strom Thurmond Reports to the People,* suggested recently that what the President needed was a few right-wing extremists in his administration. Its editor and publisher, Senator Thurmond, must have been gratified when a few days later the Senate Armed Services Committee was called upon to confirm the appointment of John A. McCone to be director of the Central Intelligence Agency. Not all newsletters get results that swiftly. At the hearing the one-time Dixiecrat candidate for President, not ordinarily to be found in the New Frontier cheering section, was as emotional in his praise of the nominee as if he were already delivering his funeral oration. Mr. McCone may not qualify as an extremist but in picking him to be head of the CIA, Mr. Kennedy has chosen a man as satisfactory to the far right as J. Edgar Hoover himself.

### To Make The World Safe for Oil

It would seem that a prime qualification for top intelligence posts in our society is a strong set of biases. Mr. McCone can offer triple assurances against any dangerous objectivity. He belongs to that sector of Roman Catholic opinion which takes an apocalyptic view of our relations with the Soviet Union. He has close ties with Big Oil. Himself one of the largest stockholders in Standard Oil of California, owner of shipping concerns which do a big business with Standard of New Jersey and several other of the majors, Mr. McCone is not apt to be flint-hearted in dealing with the problems those long-suffering concerns encounter in cut-rate Soviet petroleum, Arab nationalism, Indonesian firebrands and Latin American radicals on the precarious outer marches of the Free World where the CIA lurks protectively in the bushes.

The third and perhaps the most politically endearing of Mr. McCone's qualifications is represented by his long and faithful association with the aviation-missile industry crowd inside and outside the government. During and after the war, Mr. McCone made his fortune in the business of supplying maritime, aviation and nuclear engineering services to the government. His debut in government itself was as a member of the Truman Air Policy Commission; its recommendation for a 4-billion dollar stepup in Air Force spending in 1948 was the first trumpet blast of the postwar aviation lobby. Later as assistant to Secretary Forrestal, then as Under Secretary for Air under Symington's wing, more recently as chairman of the Atomic Energy Commission, Mr. McCone has been a consistent advocate of those views which the Air Force and its industrial allies hold, particularly against any cessation in nuclear testing. The top foreign intelligence post is being given to a representative of that military-industrial complex which would be more endangered than any other sector of American industry by a change for the better in the international climate. Mr. McCone offers built-in safeguards against an unhealthy optimism.

This happy choice to succeed Allen Dulles seems to be the triumph of the practitioners of *realpolitik* at the White House. For them, the smart strategy is to fill every sensitive post in the government with a conservative Republican while the liberals on the Kennedy staff are assigned to snow under journalistic criticism with sympathetic assurances that the nominee will somehow be kept under control and even harnessed mysteriously to the achievement, in some far distance, of enlightened goals. They're *smooth,* man.* Were this an Eisenhower appointment, there would be an outcry from the liberals on Capitol hill, but the liberals have been taken into camp. Since 1956 Senator Mansfield has been a fierce critic of CIA's conspiracies abroad, a crusader against its exemption from Congressional supervision; now as majority leader, he is silent. Nuclear test cessation has been Humphrey's major issue, but now as party whip, he must grumble if at all privately; Symington said at the McCone hearing that one of his

(*Continued on Page Two*)

**A $44,000,000 Profit on $100,000**

**"I have not had the opportunity of knowing Mr. McCone well, only through reputation, but in looking over this biography, to me it epitomizes what has made America great."**

*—Senator Strom Thurmond (D. S.Car.) at the Senate Armed Services Committee hearing on the McCone appointment to the CIA, Jan. 18.*

**"I dare say that at no time in the history of American business, whether in wartime or in peacetime, have so few men made so much money with so little risk and all at the expense of the taxpayers not only of this generation but of generations to come."**

*—Ralph E. Casey, of the Comptroller General's office, testifying at a 1946 House inquiry into shipbuilding profits in World War II, on the way in which Mr. McCone and his associates in California Shipbuilding Company made $44,000,000 on an investment of $100,000; quoted by Senator Case (R. S.Dak.) at the Senate committee hearing, Jan. 18.*

**Sen. Symington (D. Mo.): Now it is still legal in America, if not to make a profit, at least to try to make a profit, is it not?**

**Mr. McCone: That is my understanding.**

*—The Senator from Missouri, a few minutes later, helping the nominee explain.*

*** Judging by its complaisant news and editorial treatment of the appointment the liberal Washington Post seems to have emerged glassy-eyed from just such a smooshing.**



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(*Continued from Page One*)

colleagues asked him querulously, "Why can't the President get a Democrat?" He courteously withheld the name of this subversive fellow. On the score of viewpoint, lack of experience, conflicts of interest, Mr. McCone would have been a juicy target for the liberals in the good old days of Eisenhower. Now it was left to a junior Democrat, McCarthy of Minnesota, and to two conservative Republicans, Mrs. Smith of Maine and Case of South Dakota to carry the fight in committee, whatever of it there was, against the McCone nomination. Even Morse, though he made a Senate speech on the subject before leaving (see box on p. 2) was providentially sent off as part of Kennedy's mission to get Castro's scalp at Punta del Este and so may not be present in the Senate to oppose the President when the nomination comes up. Never have wheels been so skilfully fitted into wheels.

### Morality Begins to Seem Quaint

Senator McCarthy took the unusual step of appearing as a witness against the nomination before the committee. He quoted Senator Mansfield, former Secretary of Defense Wilson, Hanson Baldwin, and Walter Lippmann in setting forth the dangerous powers exercised by CIA. He dared to question its foreign undercover operations (see box bottom of p. 3) in Guatemala, Iran and Laos as well as Cuba. So far have we drifted from our constitutional and moral moorings that it sounded old-fashioned, almost quaint, to hear a U.S. Senator imply that the Cuban operation would have been wrong even if it succeeded and that the overthrow of Arbenz in Guatemala was contrary to law and Monroe Doctrine though, he added weakly, "objectively considered . . . desirable." We have grown accustomed to assuming that anti-Communist ends justify any means. His charges were easily disposed of as Symington counter-attacked in defense of his old protege, McCone. Symington asserted blandly that as head of CIA McCone would be one of the most supervised men in the government! He declared that if the CIA hadn't gotten rid of Mossadegh, Iran would be Communist today. McCarthy wanted the committee to investigate whether McCone was the source of the leaks from the AEC harmful to the test talks at Geneva, particularly the stories of clandestine Soviet testing. Symington interrogated McCone like a defense counsel. He got McCone to reply that he knew of no instance where he was "charged" with leaking such information. McCone also said he knew of no leaks "attributed" to him; obviously he did not read the papers closely. This was not quite the same as denying the charge but no one on the committee pressed him on it. Symington also easily drew a denial that as a Caltech trustee he had ever "officially" tried to bring about the discharge of the ten Caltech professors who in 1956 had the temerity to issue a joint statement supporting Adlai Stevenson on nuclear testing. Mr. Stevenson must feel real chummy when he meets Mr. McCone now in the inner councils: the darnedest people do turn up on the New Frontier.

One of the most important aspects of the McCone appointment did not figure in Senator McCarthy's testimony, though Symington touched on it tangentially. The jungle of our multifarious intelligence agencies is the scene of an annual struggle in which each of the armed services with its industrial allies tends to exaggerate Russian progress in its own field to get greater appropriations for itself. The Air Force's well publicized campaigns first about a "bomber gap" and then about a "missile gap" are the most sensational examples. They illustrate the Administration's lack of wisdom in pick-

### Morse Expresses Concern

**"I am concerned with being confronted with after-the-fact situations—after the CIA has created problems, as it has in the past—in certain foreign lands, which, in my opinion, have created embarrassment to the United States. I speak as the chairman of the subcommittee on Latin American affairs. It is well known by members of my subcommittee that I am not too happy about some of the manipulations by the CIA in Latin America in times gone by. . . .**

**"Would we have told Webster or Calhoun, or any of the other great forefathers who trod the carpet of this great parliamentary Chamber, that it was necessary to have legislation to enable the legislative branch of the Government to find out what the executive branch was doing in some cloak-and-dagger operation somewhere in the world which might very well involve the suffering and the lives of tens upon tens of thousands of American boys? What would Jefferson have said about such an unchecked power?"**

*—Morse (D. Ore.) in the Senate, Jan. 18.*

### McCone Admits No Training for Job As Mrs. Smith Voices Distrust of CIA

**SEN. MARGARET CHASE SMITH (R. Me.): Mr. McCone, my impression of the CIA, based upon my knowledge and experience with it, as a member of the Senate Armed Services Committee, Senate Appropriations subcommittee on defense, the Senate Appropriations subcommittee on foreign relations, the Senate Preparedness Investigating Committee, and the Senate Aeronautical and Space Sciences Committee, has not been a very favorable one.**

**The Cuban debacle and fiasco climaxed my very serious reservations about the CIA and the way it was being run. Coupled with this record is the fact that the CIA enjoys a virtual immunity from reporting to Congress on its activities and on its expenditures. It has very little, if any, real check placed upon it.**

**Like no other agency in our Federal government, it has been given a Congressional blank check for its operations and its administration and unfortunately under such circumstances, Congress literally operates in the dark as to the CIA without any chance to measure its effectiveness, its justifications, and whether it should be revised or improved, that is, we operate in the dark until it is too late, and we do not learn of the faultiness and the damage until after the damage has been done. Such was the case of Cuba.**

**Because of this and because of the great unlimited and unchecked powers so far as Congress is concerned that are held by such a vital agency, that is such a vital part of the life and death of our country, I believe that we should take the greatest care in the selection and confirmation of the Director of the CIA, and it is with these thoughts in mind that I wish to ask you several questions.**

**It is my recollection, Mr. McCone, that all of your predecessors had some prior training or experience in the field of intelligence prior to their appointments as director of the CIA. Will you tell the committee what training or experience you had in the field of intelligence prior to your appointment to that position?**

**MR. McCONE: None.**

*—Senate Armed Services Committee hearing Jan 18.*

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ing a top intelligence chief so closely associated with one military point of view. Not many months ago the Air Force crowd through Senators like Symington and journalists like Alsop was issuing hysteria-breeding estimates of Soviet missile strength. Now, when the Russians were advertised to have 500 ICBM's, it turns out that they only have about 50. A close reading of the "missile gap" propaganda of two years ago discloses animosity against CIA Chief Allen Dulles for rejecting and slowly reducing bloated Air Force intelligence estimates of Russian missile strength. Symington told the McCone hearing he has been "especially interested in somebody [sic] going into the Central Intelligence Agency because of its importance to our national defense, and inasmuch as the previous administration of CIA told us early last Fall that their estimate of Russian long-range missile capacity in mid-1961 was 3.5 percent of what they estimated it would be only 19 months previously." This 3.5 percent I believe is a newly disclosed figure. So Russian missile capacity was represented as 30 times bigger than we now believe it is, and Russia's missile forces were estimated as 10 times greater than they turned out to be. Such downward revision is a threat to the hopes, the backlogs and the profits of our own missile makers.

## Billions Wasted on The Bomber Gap

Faulty intelligence based upon faulty assumptions led to the expenditure of billions of dollars on bombers and anti-bomber defenses while the Russians instead of mass producing bombers beat us to the ICBM against which those defenses are useless.* A CIA chief drawn from the aviation-missile crowd is likely to be less on guard than Mr. Dulles was to this danger. Indeed the government seems to have learned little from the experience. The huge missile program outlined in the new military budget, a buildup to some 1500 missiles, far beyond the number needed for deterrence, is based on the same kind of bloated assumptions as before. "If we assume as in fact we have," Secretary McNamara told the Senate Armed Services Committee the day after the McCone hearing, "that the Soviet Union will eventually build a large ICBM force, then we must concentrate our efforts on the kind of strategic offensive forces which will be able to ride out an all-out attack by nuclear armed ICBMs in sufficient strength to strike back decisively." But what if the Russians do not build a large ICBM force? What if they feel they have enough to deter an attack upon them and are not crazy enough to try and build up a force big enough for a suicidal first strike against

### The FBI Infiltrates 'Em And the CIA Subsidizes 'Em

**Sen. Smith (R. Me.): It has been alleged, Mr. McCone, to me that the CIA has been or is supporting the political activities of certain ethnic groups in this country, such as the Polish and Hungarian group; is this true, and if so, what comment do you have to make?**

**Mr. McCone: I can make no comment on it.**

**Sen. Smith: Is it true?**

**Mr. McCone: I wouldn't comment on it.**

* * * *

**Sen. Russell: As a matter of national policy, and speaking as a citizen and not as a nominee for this position, Mr. McCone, do you see anything immoral or wrong about any agency of this government undertaking to encourage ethnic groups in this country that have brethren behind the Iron Curtain to look at matters from the standpoint of this country rather than of the Soviet Union?**

**Mr. McCone: No, sir, I do not.**

*—Senate Armed Services Committee, Jan. 18.*

* **"We have today," Mr. McNamara told Armed Services, "in the North American continent and across the seaward approaches a very extensive and sophisticated air defense system, costing in the neighborhood of $2 billion a year. But this system was designed primarily to defend against mass attack by manned bombers. In that role it is quite effective," he continued, with perhaps unconscious irony, "particularly since the Soviet Union did not build the large manned bomber force anticipated many years ago by the planners of the system. But the threat is now shifting to the ICBM and submarine-launched missiles. Against this threat, the existing system is completely ineffective, except for certain parts of the warning network."**

## Trying To Test McCone's Sensitivity Toward Another Guatemala or Cuba

**"The CIA is credited with having helped to oust Mossadegh from the Premiership of Iran in 1953. History has not yet clearly demonstrated that this was the wisest policy. It probably never will, but the question of legality and authority of the CIA in this action is open to question. CIA takes credit for the overthrow of Dr. Arbenz as President of Guatemala in 1954. Objectively considered this was desirable, but again it is difficult to establish any justification in law or treaty or even tradition for this action. It was not sanctioned by the OAS or by NATO membership, and scarcely comes under the Monroe Doctrine.**

**"The policy decision involved last year in supporting Gen. Phoumi Nosavan's move from Vientiane, helping him equip an army in the south to remove Souvanna Phouma from power rather than join the cabinet as Vice Premier was, insofar as I know, without any sanction excepting that he had declared himself to be positively on our side and Souvanna Phouma was declared neutral.**

**"The U-2 flight raises some questions of prudence, but does not raise, in my judgment, questions of legal or constitutional justification as the others do. In the case of the invasion of Cuba this year, the basic question of justification would remain even though the invasion had been a success. . . .**

**"The director of the CIA should be sensitive to the danger of such proceedings. I hope that this committee will make inquiry as to the awareness and sensitivity of the current nominee with reference to these basic considerations."**

*—Sen. Eugene J. McCarthy (D. Minn.) before the Senate Armed Services Committee January 18.*

**Sen. Cannon (D. Nev.): Senator McCarthy raised the point on page 4 of his statement concerning the legal or constitutional justification for certain actions, and in that connection I would like to ask you whether or not you feel that if the CIA were to interfere or to assist in the overthrow of the government of any foreign country, that would be a violation of your constitutional authority?**

**Mr. McCone: Well, that is an answer [sic], a rather difficult hypothetical question to answer, Senator, I think that there again it would really depend upon the actions that might be indicated in support of the President's foreign policies . . . and our determined efforts to fight back the intrusion of communism. . . . It would have to be quite an extreme case, I should think, before I would feel that it was a violation of constitutional rights of the executive branch [sic] of the government."**

*—Senate Armed Services Committee hearing Jan. 18.*



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# How Missile and Bomber Gap Scares Can Endanger U.S. Security

us? What if, instead of producing more missiles, they again concentrate their less luxurious resources on the next step and develop some new weapon which will do to the missile what the missile did to the bomber? It is by just such tactics that a country with lesser resources can get ahead of a country with greater.

### Industrial Convenience and Military Policy

It is here that faulty intelligence endangers national security. And it is here that Mr McCone is most unfit for his new post. The welfare of the aviation-missile lobby depends on a mirror-image of Russian intentions. Like our business men generally, the aviation-missile crowd is conditioned to mass production. If one ICBM is a good weapon, then why not 1,000? The more the better, especially since profit becomes substantial only with quantity production. Our business men assumed mass production of bombers and now assume mass production of missiles by the Russians because those assumptions reflect their own industrial experience, serve their own interests and reflect, incidentally, their military ignorance. The basic military principle of "economy of force" is repugnant to them because it discourages the mass production assembly line. In our society—and this may prove a crucial weak point—industrial convenience tends to determine military doctrine, instead of the other way round. Mass production is best served by the illusion that if only forces huge enough are built up, armies can again be used as instruments of national policy, in blackmail, and that we can win a nuclear war if our bluff should be called.

Mass production requires a belief in massive retaliation. It is to the missile business what the two car garage is to Detroit. It was revealing that in the Senate hearing, Mr. McCone insisted on declaring himself "a strong supporter of the concept of massive retaliation" even though Symington by a series of leading questions tried to create the opposite impression in order to rebut another of McCarthy's charges. Mr. McCone even declined to comment when Symington gave him a broad hint and an easy way out by asking, "Do you agree with the President when he says we should have some difference between humiliation and nuclear response?" When Mr. McCone finally caught on to what Symington was trying to do for him and agreed that "We must have a capacity to conduct war at various levels," he still added stubbornly "We also must have the capacity to handle ourselves in the ultimate war." The reply will evoke cheers in the Air Force and the Air Force Association.

No committee of Congress is in a better position critically to explore the full implications of the basic point here raised, and none is less disposed to do so than Senate Armed Services which is heavily weighted for the aviation point of view. The ranking Republican, Saltonstall, was so solicitous for the nominee as to embarrass even the chairman. Senator Russell seemed to be concerned only with making sure that there had been no diminution of CIA's power, that McCone's deputy would be a military man and that in selecting this deputy he wouldn't be influenced by any other branch of the government, above all by the State Department, of which the august Georgian does not seem to approve. As for the unfriendly questions by Mrs. Smith and Case, these concentrated largely on the conflict of interest area where Mr. McCone has a fascinating record of ingeniously managing to squeeze through some of the oddest crevices of the law. But this, which may figure in the coming Senate debate, must be left for next week's issue.

*Jan. 24, Noon*

### All's Well in The Middle East

**Sen. Bartlett (D. Ala.): Mr. McCone do you know if Standard Oil of California is a member of the Arabian American Oil Company?**

**Mr. McCone: Yes, it is.**

**Sen. Bartlett: And of course all of us have heard that this company, operating in the Middle East, has at various times intervened or participated or interfered, whatever word should properly be applied, in the operation of the governments in that area. . . . Have you any comment to make on that situation?**

**Mr. McCone: I would have no comment because I have not personally read or heard such allegations. In my trips to the Middle East I have observed that the Armaco people handled their relationship with the governments of Arabia and Bahrein Island in a very satisfactory way. I don't know of any interference."**

*—Senate Armed Services Committee, Jan. 18.*

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Second class postage paid at Washington, D. C.

I. F. Stone's Weekly. Second Class Postage Paid at Washington, D. C. Published every Monday except the last Monday in August and the first in September and the last Monday in December and the first in January at 5618 Nebraska Ave., N. W., Washington, D. C. An independent weekly published and edited by I. F. Stone; Circulation Manager, Esther M. Stone. Subscription: $5 in the U. S.; $6 in Canada: $10 elsewhere. Air Mail rates: $15 to Europe; $20 to Israel, Asia and Africa.

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